

COMMONWEALTH OF KENTUCKY
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of

TELEPHONE UTILITIES)
EXCHANGE BOUNDARIES) ADMINISTRATIVE CASE NO. 218

O R D E R

After receiving numerous requests from telephone subscribers who desire, for one reason or another, telephone service from an exchange other than the one within which the subscriber resides and, further, having received numerous complaints that telephone utilities have inadvertently or otherwise provided service to subscribers outside of the established exchange boundary, the Commission, on its own volition, scheduled a hearing for the purpose of receiving testimony from telephone utilities and other interested persons with respect to the above matters and for the purpose of considering whether the Commission should adopt a regulation or enter an Administrative Order which would require said utilities to observe the integrity of the established exchange boundaries as filed with the Commission except in those instances where, upon application by the utility a deviation is granted by the Commission for good cause shown.

The hearing was scheduled for November 14, 1979, at 1:30 p.m., Eastern Standard Time, in the offices of the Utility Regulatory Commission at Frankfort, Kentucky. The hearing was held as scheduled and all parties of interest were given the opportunity to be heard. Representatives of South Central Bell Telephone Company (Bell), Cincinnati Bell, Inc., General Telephone of Kentucky (General) and the Kentucky Telephone Association presented testimony at the hearing. Additionally, a group of persons residing in north Franklin County presented a petition and testimony requesting that the Frankfort Exchange boundary of Bell be moved to coincide with the Franklin County-Scott County line, in order to allow this group of persons to be served from Bell's Frankfort Exchange rather than the Stamping Ground Exchange of Bell. Also, a group of residents in and around a development known as Iron Works Estates, which telephone serving area is split by General's Midway Exchange and Bell's Georgetown Exchange,

presented testimony requesting that the Commission require General and Bell to continue offering them a choice of telephone service under an arrangement called Cross-Boundary Service, which is technically known as Foreign Exchange Service on a cross-boundary basis. The Division of Consumer Protection (predecessor to the Division of Consumer Intervention) of the Attorney General's Office was also present as an intervenor for consumers.

The Commission, after considering this matter, including the hearing and all correspondence of record, and being advised, is of the opinion and finds that:

1) The establishment of telephone boundary lines is absolutely necessary to allow economical and efficient communication system planning and to prevent costly and chaotic duplication of facilities;

2) Once established, the integrity of boundary lines must be observed by both the telephone utilities and by telephone subscribers, except in those instances where, upon application by the utility, a deviation is granted by the Commission for good cause shown;

3) The telephone utilities have, in numerous instances, served subscribers outside of the established boundary lines, and those companies should be required to identify to the Commission those subscribers, and the reasons for serving same, outside of the established exchange boundaries;

4) The Record shows that the boundary line change requested by the group of Petitioners from north Franklin County would require costly construction of facilities which would duplicate existing facilities in the area. No decision should be made on this request at this time, pending further study of this issue by the Commission;

5) The Record shows that the provision for Foreign Exchange Service on a cross-boundary basis to Petitioners residing in Iron Works Estates is discriminatory in the rate structure for such service against those who must pay the normal tariffed foreign exchange rates to obtain similar service, and therefore the provision of cross-boundary service should be abolished;

6) Both Bell and General should be required to identify to the Commission subscribers who now have Foreign Exchange Service on a cross-boundary basis.

IT IS THEREFORE ORDERED that all telephone utilities shall observe the integrity of the established exchange boundaries except in those instances where, upon application, a deviation is granted by the Commission for good cause shown.

IT IS FURTHER ORDERED that each telephone utility shall, within one-hundred-twenty (120) days of the date of this Order, furnish the Commission with a listing of subscribers in that utilities' service area who have been furnished and presently have telephone service outside of the established boundary lines, along with the reason for the provision of such service.

IT IS FURTHER ORDERED that a decision concerning the request from Petitioners in north Franklin County for a boundary line change in order to allow Petitioners to be served from South Central Bell's Frankfort exchange be and it hereby is deferred pending further study by the Commission.

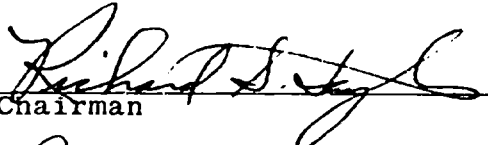
IT IS FURTHER ORDERED that the request of Petitioners residing in and around Iron Words Estates for the continuation of the provision of Foreign Exchange Service on a cross-boundary basis be and it hereby is denied.

IT IS FURTHER ORDERED that within twenty (20) days of the date of this Order, both General Telephone of Kentucky and South Central Bell Telephone Company shall file with the Commission tariffs which reflect the abolishment of the provision of Foreign Exchange Service on a cross-boundary basis.

IT IS FURTHER ORDERED that within sixty (60) days of the date of this Order, both General Telephone of Kentucky and South Central Bell Telephone Company shall file with the Commission a listing of subscribers who presently have Foreign Exchange Service on a cross-boundary basis.

Done at Frankfort, Kentucky, this 21st day of February, 1980.

UTILITY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary